

EXECUTIVE APPROVAL FORM

CUSTOMER NAME: Michaels Management Services, LP

SECTION I - Approval Requests:

HQAPP Requests:

1. Request following discounts: migrated licenses blended at 54.2% discount;
2. New Licenses for EBS 2002 at 82% (\$1.46MM Net License)
3. Restricted use license of Employee EBSuite users discounted at 99.5%. Usage restricted to use by part time staff to only use the HR self service module. Joel Summers has approved.
4. Customer reference "special" language: Oracle will use the Customer as a reference for no less than three times a year over the next 2 years. In addition, Customer agrees to become part of Oracle's reference program which recognizes Oracle's customers worldwide for innovation and leadership through marketing and networking opportunities.
5. Change customer employee metric for purposes of user minimums to be full-time employees (12,700) rather than total employees (38,500 from SEC filings). The part-time employees are mostly high school and college students working part time during Christmas holidays and they have no access to systems.
6. Flatline support for 2 renewals with 4% cap years 4&5.
7. Request to show net fees only due to high discounts.

TIER 1 Requests:

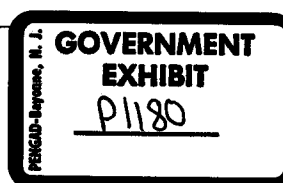
8. Customer Definition: Signing company and its parent, Michaels Stores, Inc., and parent's majority owned subsidiaries – agree to be bound.
9. Acceptance period for the deal of 5 months. (we understand that this eliminates revenue being recognized).
10. Extended credit terms of 5 months for payment. Pending Credit approval.
11. 2 year price hold on the suite pricing model with options at 75% with Restricted use employee user at 99.5%.

Previously approved requests (include date of approval):

- 1.
- 2.

SECTION II – Deal Summary:

Deal Summary	
Programs	EBS 2002
License Discount	82%
Support Discount	82%
Comp & Admin Discount	NA
Phased Implementation for Comp & Admin?	NA
Support Options/Holds	2 yr flat-line plus 2 yrs capped at 4%
Price Holds	2 yrs
List License	Migrated: \$2.963MM, New: 17.264
List Support	
List Comp & Admin	
Net License	Migrated \$0 after credit; New: \$1.460MM
Net Support	Net new of \$321K
Net Comp & Admin	
Net Total Price	



Price List Used	EBS 2002 ending
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Customer History - Existing Price Holds	
Existing contractual discount (price hold)	45% for ala carte pricing (not in this deal)
Date of Price List for price hold	11/ Jan/ 2002
When does price hold expire?	2/04
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	Tech and apps
Name of Agreement if applicable	

SECTION III - Justification:

Background: This customer owned no Oracle apps 2 years ago and was a PeopleSoft shop for Financials and HR. We displaced PeopleSoft HR in the account 2/02 (part of a \$3.6MM deal) and this deal is to displace the rest of PeopleSoft and make them Oracle throughout. In the last year, they have referenced for Oracle no less than 10 times in PeopleSoft competitive situations and they spoke at AppsWorld 2002 about their experiences. The 2003 Las Vegas sales meeting will use this customer for their case study in the retail training. Last, they helped us set up a local user group and are leading the group.

This deal is to lock in the 2002 suite deal for them (they see potential in several modules that will go away) while they evaluate Oracle vs PeopleSoft for their business. (PeopleSoft must be upgraded to V8 – which is driving the evaluation). This is highly competitive and we know that PeopleSoft will do everything to keep us from taking this account.

1 and 2. Discounts: a.) they are a retailer and are cheap; b.) we are competing against very minimal license dollars to upgrade to Ppsft; c.) they will help us win other retail accounts after we complete the conversion off of PeopleSoft; d.) \$1.5MM is the maximum that the deal will support for new licenses given the competitive position we are in.

3. Restricted Use: 25,800 of their employees are part time staff that are hired for Christmas and holidays (primarily). They currently own the right to our HR SS for all these employees and they insist on retaining that right – even though they will likely never use it (today the store managers do all the SS functions for employees). Thus, this
4. Customer reference--This language was in their last contract and it was their request as they view this as a tool to ensure that we keep them happy!
5. Employee minimums--Figures were pulled from SEC stmts. To fully burden any retailer that utilizes part time staff makes the suite cost prohibitive – this one is heavily reliant on p-t staff.
6. Support concessions--Customer has TCO model we are meeting.
7. Request to show net fees to manage customer expectations for future deals.
8. Customer definition covers enterprise.
9. Acceptance period: This amount of time is needed for them to complete their analysis of whether to go Oracle or peopleSoft and will give us a Q2 deal in 04 (if successful).
10. Credit terms to match the acceptance period. Customer does not want to pay before end of the acceptance period. Pending Credit approval. Revenue will not be recognized until cash is received.
11. Price hold--Needed to support growth and to protect them if part time staff increases.

Recommendation: (leave blank for HQAPP to fill out)

Submitted By: *Richard Bedford; Matt Mills*

Field RM name if submitted by iSD:

R: (leave blank for HQAPP to fill out)

C:

L:

A:

BP:

PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION (SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.

General Information	
Contract requested by (insert date):	5/27 at 12:00 noon (meeting at 2:00)
Opportunity I.D. (OSO Number):	(OSO down, will provide to Beverly)
Deal Structure (indicate Direct, Pass-Through, Sublicense, or Trial License):	Direct
Is this deal the result of a compliance issue that LMS has been involved in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does deal contain new licenses with an <i>approved</i> non-supported license type (i.e. metric is not nor ever has been on Oracle's price list):	<input type="checkbox"/> Yes (specify non-supported license type and eBusiness license type used to determine conversion) <input checked="" type="checkbox"/> No
Quote Valid Through (insert date):	5/31
Partner (insert name, if applicable)?	Margin or % of net license fees _____
VAD (insert name, if applicable)?	Margin or % of net license fees _____
MIGRATIONS OR UPDATES:	<input type="checkbox"/> Yes <input type="checkbox"/> No
PREMIUM SERVICES:	<input type="checkbox"/> Yes <input type="checkbox"/> No
INCIDENT PACKS:	<input type="checkbox"/> Yes <input type="checkbox"/> No
INTERNATIONAL: Requires an International Notification Form to be forwarded to your manager, contract specialist, and NASINFO or OGEHINFO.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Payment Terms:	<input type="checkbox"/> Net 30 <input checked="" type="checkbox"/> Other (Specify) 5 months
Referenced Agreement:	<input type="checkbox"/> New OLSA <input checked="" type="checkbox"/> Other (Specify) SLSA-251295-25-MAY-94

Customer and Administrative Information – all fields must be filled in	
Customer's EXACT Legal Name:	Michaels Management Services, LP
Business Address:	8000 Bent Branch Drive
City / State / Zip:	Irving, TX 75063
Customer Contract Admin:	Gale Binder
Phone #:	972.409.1390
Fax #:	
E-mail ID:	binderg@michaels.com
Billing Contact:	same
(Partner/VAD if Indirect):	
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
E-mail ID:	
Tax Status :	Exempt ____ (Need certificate for ship to state if not on Oracle's Tax Exemption Log)
	Non-Exempt ____
Shipping Contact:	same
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
E-mail ID:	
Technical Support Contact:	same
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
Email ID:	
Partner Name (Indirect):	
Address:	
City / State / Zip:	
Contact Admin:	
Phone #:	
Fax #:	
E-mail ID:	

Education (EPPC)	
Education Prepaid Credit Amount:	\$ <u>0</u>
Education Discount:	<u> </u> %
Education Revenue:	\$ <u> </u>
Education Sales Rep:	

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PROCESSOR/NAMED USER PROGRAMS/COMPUTER PROGRAMS (REQUIRED INFORMATION)

Make and Operating System required for each program:

Make: AIX

OS:

PROGRAMS:

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Applications			
Will applications be modified:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Will users be accessing modified Apps from the web:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Have all prerequisites been included:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Will users use Fast Forward RPM:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Will applications be hosted:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Indicate database that Apps will run on:	Oracle		
Indicate CSI for existing prerequisite database and tools:			

Options not requiring HQAPP, Tier 1, or Tier 2 Approval	
(1)	
(2)	
(3)	
(4)	

Internal Administrative Information	
Applications Sales Manager	Richard Bedford
Technology Sales Manager	Kevin Osborne
Account Manager	
iSD Rep	Ken Kaufman
Education Sales Rep	
Support Renewals Rep	Mike Sear
Premium Support Rep	
Is there a teaming agreement?	<input type="checkbox"/> Yes (if yes, list all appropriate reps) <input checked="" type="checkbox"/> No
Requester:	Name: <u>Richard Bedford</u> Business Telephone: <u>3475</u> Cell Phone: <u>214.616.3448</u>